

PENSION AND BENEFITS COUNSELING



Economic Security

As people grow older, their primary concerns revolve around safety, security and health. And when they think about security, it is usually “economic security:” having enough money to live comfortably in their own homes, enjoy a few pleasures such as eating out or going to the movies, and having a little money left over when they die to give to their grandchildren. Of course, personal safety is related to security, since people want to be able to afford to live in a safe neighborhood. And they are also very concerned about having enough money if they should become sick or disabled.

Planning for Adequate Resources for Retirement

Financial planners always advise people to plan for retirement by making sure they have adequate resources which they accumulate throughout their working careers. These resources should be a combination of social security, a pension and savings. Although most persons of retirement age or older are eligible for social security, their benefits vary based on how much they earned, length of their career, and marital status. A smaller group of older workers and retirees have or had pensions: employer sponsored plans to which the employer contributed and perhaps the employees also contributed (Defined Benefit plans). Now the trend is for employees to build their own pensions through Defined Contribution plans such as 401(k) plans, IRA's or other investment vehicles. Unfortunately, this is largely a voluntary system with limited employer contributions. Many low-income, part-time workers, and women cannot afford to contribute to these plans.

Pension Plans

Older workers and those contemplating retirement as well as divorcees and recent widows/widowers generally assume they have a good idea of how much they should receive from their or their spouse's pension plan. Many of these assumptions may be erroneous. Social Security and pension benefits are usually integrated so that people only receive one amount; vesting rules may vary between companies; and those working under multi-employer plans may either not have worked long enough or had a break in service. There are also specific legal provisions that must have been followed in cases of divorce and widowhood or else the survivor may be left with no resource from the decedent. Furthermore, federal and other private studies have shown that between 13 and 20 percent of all pensions are calculated incorrectly.

Where should you go if you feel your pension isn't what you think it should be? Is it lower than you thought it should be? Did you spouse recently die and were you told that there are no survivor benefits? If these or similar questions about your pension and related benefits are bothering you, you may want to contact one of the Administration on Aging's 10 Pension Counseling Demonstration projects.



Services

AoA's pension counseling projects have, for the past six years, successfully assisted more than 30,000 older adults. The projects provide a range of services, from answering questions about retirement benefits, to providing legal assistance, to helping obtain promised pensions. In particular, the projects stress the importance of life course planning which, among its several aspects, includes the responsibility of making choices to earn, save, and invest wisely, while ensuring that you receive the pension benefits you have earned.

Services provided by AoA's Pension Counseling Demonstration Projects include:

- Counseling and assistance to older individuals and their families who need help in determining their rights and in following the process for filing claims or complaints related to pension and other retirement benefits;
- Information on sources of pension and other retirement benefits;
- Referrals to attorneys, actuaries, legal services and other advocacy programs;
- Outreach programs to provide information, counseling, assistance and referral regarding pension and other retirement benefits with special emphasis on outreach to women; minority; rural, and low-income retirees.

AoA provides financial support to two national organizations in Washington, D.C., the Pension Rights Center, and the POWERCenter.

The **Pension Rights Center** provides technical assistance to individual pension projects, State and Area Agencies on Aging and legal services providers. The Center provides training for staff and volunteers of the pension projects. (202) 296-3776

The **POWERCenter**, (Program on Women's Education for Retirement) teaches women about issues that affect their long-term financial security and stresses the importance of taking an active role in retirement planning. (800) 929-1995

For further Information or assistance on general or specific pension and retirement issues, please contact the AoA Pension Counseling Demonstration Projects listed below:

Alabama Pension Counseling Project

University of Alabama School of Law, Tuscaloosa, AL
(205) 348-1136

Arizona Pima Council Agency on Aging

Tucson, AZ
(520) 790-7262

California Pension Rights Project

San Francisco, CA
(415) 474-5171

Illinois Pension Information Project

Chicago Area Agency on Aging, Chicago, IL
(312) 744-4430

Michigan Office of Services to the Aging

Elder Law of Michigan, Lansing, MI
(517) 372-5959

Minnesota Senior Federation

St. Paul, MN
(651) 645-0261

Missouri & Southern Illinois Older Women's League

Pension Benefits Project, St. Louis, MO
(314) 725-1516

New England Pension Assistance Project

Gerontology Institute
University of Massachusetts
Boston, MA (617) 287-7311
New England: 617-287-7332

New York Pension Hotline

Legal Services for the Elderly
New York, NY
(212) 391-0120

Virginia Department for the Aging

Crater District Area Agency on Aging
Petersburg, VA (804) 732-7020
Mt. Empire Older Citizens, Inc.
Big Stone Gap, VA (540) 532-4242

Working in close partnership with its sister agencies in the U.S. Department of Health and Human Services, the AoA provides leadership, technical assistance, and support to the national aging network of 57 State Units on Aging, 655 Area Agencies on Aging, 225 Tribal and Native organizations representing 300 American Indian and Alaska Native Tribal organizations, and two organizations serving Native Hawaiians, plus thousands of service providers, adult care centers, caregivers, and volunteers. For more information about the AoA, please contact:

**Administration on Aging
U.S. Department of Health and Human Services
Washington, DC 20201
Web site: <http://www.aoa.gov>**

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Eldercare Locator: 1-800-677-1116, Monday – Friday, 9 a.m. to 8 p.m. ET